

CHAPTER 46  
PAYROLL DEDUCTION FOR ADDITIONAL INSURANCE COVERAGE

[Prior to 7/21/04, see 701—Ch 206]

**11—46.1(70A) General provisions.** The state of Iowa may grant to qualified insurance companies the right to receive insurance premiums from state employees through payroll deduction upon presentation of insurance deduction authorization forms signed by state employees.

**11—46.2(70A) Definitions.** For the purpose of this chapter, the following definitions apply.

“*Employee*” means a permanent state employee.

“*Payroll system*” means any one of the following:

1. State of Iowa centralized.
2. Department of transportation.
3. Iowa State University of Science and Technology.
4. State University of Iowa.
5. University of Northern Iowa.
6. Iowa Braille and Sight Saving School.
7. Iowa School for the Deaf.
8. Iowa state fair board.

**11—46.3(70A) Insurance company qualifications.** To qualify to receive insurance premiums from state employees through payroll deductions, an insurance company must be authorized to do business in Iowa and must meet the requirements of this rule.

**46.3(1) Minimum number of participating employees.**

*a.* The insurance company must have and maintain the participation of 500 or more state employees.

*b.* Notwithstanding subrule 46.3(1), paragraph “*a*,” during the first 12 months of this program an insurance company is considered qualified if it received insurance premium payments through payroll deductions under repealed Iowa Code section 70A.17. All such companies may continue in the program during the first 12 months following the reinstitution of this payroll deduction program. By the end of the twelfth month after the reinstitution of this program, all companies must have and maintain a total of at least 500 participating employees in order to continue participation. Following the end of the twelfth month of participation of an insurance company under this subrule, company participation may be terminated pursuant to rule 11—46.13(70A).

*c.* For purposes of certifying the required 500 state employees, an insurance company shall not count state employees enrolled in insurance programs authorized by existing Iowa Code sections, by collective bargaining contracts, or by the appropriate governing authority.

**46.3(2) Qualification process.**

*a. Written agreement.* The company providing the insurance must enter into a written agreement with the state delineating each party’s rights and responsibilities. At the same time, the company must provide a template of the company’s enrollment form.

*b. Forms.* The insurance premium payroll deductions for qualified insurance companies must be authorized on forms approved by the program administrator.

c. *Payroll deduction requests.* The state employee must make request for the payroll deduction for insurance premiums in writing to the appointing authority.

d. *Participating employee list.* A company seeking to be qualified must supply the program administrator with a certified list of all state employees for whom insurance premium payroll deductions are sought. The list shall contain, according to affected payroll systems, the names, in alphabetical order, and the social security numbers of state employees for whom insurance premium payroll deductions are being requested and the name of the type of insurance being requested.

**11—46.4(70A) Noneligible types of insurance.** Deductions from salaries and wages will not be authorized for any type of insurance that is not approved by the program administrator or which is being provided for by the state, such as: health and dental; term life; and long-term sickness or disability. No insurance coverage offering a mutual fund or annuity investment component will be allowed.

**11—46.5(70A) Deduction limits and frequency.** Authorized deductions must be a minimum of \$1. The frequency of the deductions must be compatible with the affected payroll system. All payroll deductions must be made in equal amounts on a monthly basis or be made on a basis compatible with the payroll system. The deduction will be made only for the amount of insurance premiums and shall not include amounts for any other purpose, such as organizational dues or membership fees.

**11—46.6(70A) Distribution of literature.** The state of Iowa will not distribute any literature soliciting insurance premium deductions or literature pertaining to any other matter on behalf of any company.

**11—46.7(70A) Number of contributions.** Each payroll system must allow each employee the opportunity to make insurance premium deductions to any combination of up to a maximum of four companies.

**11—46.8(70A) Cash contributions.** No cash contributions will be accepted or administered through the payroll process or system.

**11—46.9(70A) Terminations.** An employee wishing to terminate the deduction shall be required to give 30 days' notice in writing to the appointing authority of the department in which the employee works or, in the case of regents institutions, to the officer in charge of the payroll system through which the employee is paid.

**11—46.10(70A) Remittance.** The officer in charge of the payroll system must send the monthly payment to each company within 20 working days after the last pay date of each calendar month. Support documentation is limited to a listing of employees and the amount deducted for each such employee.

**11—46.11(70A) Unapproved solicitation prohibited.** Salespersons or agents must follow all applicable rules prohibiting solicitation on state property. The designated company representative may schedule presentations of marketing and informational materials, provided the program administrator has given written approval of said materials and applicable rules are followed concerning approval of the date, time, and location of such presentations. Further, use of employees' state E-mail addresses or work addresses to mass distribute marketing materials is prohibited.

**11—46.12(70A) Annual review of participating employees.** During September of each year, each participating company must supply the program administrator with a certified list of all state employees who have an insurance premium deduction through each payroll system. The list must contain the same information as required in 46.3(2)“d,” and will be used by the state to determine if the company has 500 employees participating in the program.

If the minimum qualification is not being maintained, written notification will be provided to the company, giving the company 90 days to meet the minimum qualification. If, at the end of the 90-day period, the minimum qualification has not been attained, the insurance premium deduction for all participating employees in that company will be terminated.

The program administrator will provide a copy of the certified list for each payroll system to the officer in charge of that payroll system for verification of employee status.

**11—46.13(70A) Termination of company participation.** If the program administrator finds a company is not complying with administrative rules in this chapter or the agreement made with the state, or if the company is not operating in a manner the program administrator determines to be in the best interest of the state or its employees, the state reserves the right to terminate an insurance company’s participation in the program.

**11—46.14(70A) Reinstatement of company participation.** A company that has been terminated from participation in the payroll deduction program may be reinstated when the company has again met program qualifications as set forth in this chapter.

These rules are intended to implement Iowa Code section 70A.17.

[Filed 6/29/84, Notice 5/9/84—published 7/18/84, effective 9/22/84]

[Filed emergency 11/14/86—published 12/17/86, effective 11/14/86]

[Filed 4/26/90, Notice 3/21/90—published 5/16/90, effective 6/20/90]

[Filed 8/2/91, Notice 6/26/91—published 8/21/91, effective 9/25/91]

[Filed 12/1/95, Notice 10/25/95—published 12/20/95, effective 1/24/96]

[Filed 7/2/04, Notice 5/26/04—published 7/21/04, effective 8/25/04]

[Filed 11/30/05, Notice 10/26/05—published 12/21/05, effective 1/25/06]

## CHAPTER 47

### Reserved